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DIVISION OF LEGAL SERVICES
 NOREEN S. DAVIS
 DIRECTOR
 (850) 413-6199

Public Service Commission

August 5, 1998

Mr. Berdell Knowles, President
 Kincaid Hills Water Company
 P.O. Box 579
 Gainesville, Florida 32602-0579

VIA CERTIFIED MAIL

Re: Docket No. 971623-WU - Initiation of show cause proceedings against Kincaid Hills Water Company for violation of Rule 25-30.110(3), F.A.C., Annual Report.

Dear Mr. Knowles:

On May 28, 1998, the Florida Public Service Commission issued Order No. PSC-98-0737-SC-WU requiring you to show cause, in writing, why you should not remit a penalty of \$2,628 for failing to timely file Kincaid Hill Water Company's annual reports for 1995 and 1996 calculated as follows:

	<u>YEAR</u>	<u>TIME ELAPSED</u>	<u>PENALTY FEES</u>
ACK _____			
AFA _____	1995	630 days (@ \$3/day)	\$1,890
APP _____	1996	246 days (@ \$3/day)	\$738
CAF _____			
CMU _____			
CTR _____			
EAG _____			
LEG _____			
LIN _____			
OPC _____			
RCH _____			
SEC _____			
WAS _____			
OTH _____			

DOCUMENT NO.
 08338-98
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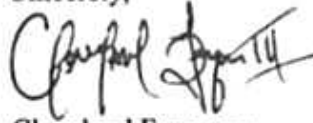
Your response to the Order to Show Cause should have been submitted by June 17, 1998. Because you did not file a timely response to the Order to Show Cause, the total penalty amounts are deemed levied in accordance with Order No. PSC-98-0737-SC-WU.

Please submit payment in the amount of \$2,628 payable to the Florida Public Service Commission. Payment should be mailed with a copy of this letter by August 14, 1998, to the Division of Administration, Bureau of Fiscal Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850, Attention: Evelyn Sewell.

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If payment is not received by August 14, 1998, the Commission will refer this matter to the Comptroller's Office for further collection efforts. If you have any questions, please contact me at (850) 413-6185.

Sincerely,



Cleveland Ferguson
Staff Attorney

CF/dr

cc: Division of Records and Reporting
Division of Water and Wastewater (Dewberry)
Division of Administration (Sewell, Knight)

10/15/98